

#### Members

Sen. James Merritt, Chairperson  
Sen. Marvin Riegsecker  
Sen. Robert Jackman  
Sen. James Lewis  
Rep. Jerry Denbo  
Rep. Ben GiaQuinta  
Rep. Ron Liggett, Vice-Chairperson  
Rep. Gloria Goeglein  
Rep. Thomas Saunders  
Rep. David Wolkins  
Sen. Rose Antich  
Sen. Lindel Hume



## INTERIM STUDY COMMITTEE ON BUREAU OF MOTOR VEHICLE ISSUES

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(Adopted May 26, 1999)

### MEETING MINUTES<sup>1</sup>

Meeting Date:	September 28, 1999
Meeting Time:	1:30 P.M.
Meeting Place:	Bureau of Motor Vehicles Administrative Conference Room, Governmental Center North, 100 N. Senate Ave.,
Meeting City:	Indianapolis, Indiana
Meeting Number:	5

**Members Present:** Sen. James Merritt, Chairperson; Sen. Robert Jackman; Sen. James Lewis; Rep. Jerry Denbo; Rep. Ben GiaQuinta; Rep. Ron Liggett, Vice-Chairperson; Rep. Gloria Goeglein; Sen. Lindel Hume.

**Members Absent:** Sen. Marvin Riegsecker; Rep. Thomas Saunders; Rep. David Wolkins; Sen. Rose Antich.

Senator Merritt, Chairperson of the Interim Study Committee on Bureau of Motor Vehicle Issues, called the meeting to order at 1:37 p.m. He welcomed all to the meeting and reported on the status of his request to the Legislative Council for more funds for the 1999

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<sup>1</sup> Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

meeting year and for the extension of the life of the committee for another year. The Legislative Council did not grant additional funds for the committee for this year, but it did convert the committee into a two-year study committee. Chairperson Merritt then introduced Gary Gibson, the Commissioner of the Bureau of Motor Vehicles (BMV), who stated that the BMV's goal for the meeting was to present a microscopic look at how the BMV serves millions of people, 92 counties, and the needs of law enforcement. He introduced Mary Finnegan, a Commissioner of the Bureau of Motor Vehicles Commission (BMVC), whom he praised for her many years of public service.

Commissioner Finnegan stated that in 1998 the BMV licensed over 4 million vehicles. She addressed the improvement in the physical facilities in the branches, and the changes in the operations. Although the public can utilize technology such as touch-tone plate renewal, over 67% of the public still prefers to go to the branch. She felt that it is an educational process to make these changes work. Several years ago, a realignment plan was proposed to reduce costs rather than reducing service. Proposals included the closing of 49 branches and an increase in some fees, neither of which was popular. She felt that any study regarding privatization would find the same result; cut expense and raise revenue. Currently, there are about 1500 BMVC staffers in the branches, and 425 employees of the BMV in the Government Center. The employees process over 10 million transactions a year, and pay begins at \$7.50 an hour. Managers' salaries range from \$21,000 to \$26,000 a year. There are morale problems within the ranks of the employees. Currently, the reinstatements' backlog is about three weeks; this is not good for the employees, nor for the public.

Commissioner Finnegan felt that the BMV performs many services for which it receives no fees, and that 53 specialty plates may place a burden on the BMV. She felt that allowing cross-county plate registrations would help to balance out the use of branches.

Commissioner Gibson thanked Commissioner Finnegan and commented on the professional staff that the BMV and BMV/C have.

Alvin Hayes, Director of Public Affairs for the BMV, presented a history of the BMV and BMV/C. (He furnished the Committee with Legislative Interim Study Committee Bureau of Motor Vehicles Overview, Exhibit A and A Brief Summary of the History of the Bureau of Motor Vehicles and the Bureau of Motor Vehicles Commission, Exhibit B.) The BMV began in 1905, under the Secretary of State. Computer use for the Bureau began in 1962. In 1970, the General Assembly passed legislation requiring the BMV to collect excise tax on registered vehicles. As a result of an issue during a gubernatorial campaign, the General Assembly created the BMV/C and initiated some reforms. In 1991, the BMV/C took over licensing of watercraft from the Division of Natural Resources. The realignment plan study of which Commissioner Finnegan spoke took place in 1994, and technological changes have occurred since then. Recently, the BMV/C employees converted from their retirement plan into the Public Employees Retirement Plan. Senator Lewis asked about the process of transferring the excise tax money collected; Commissioner Gibson stated that in his opinion the procedure worked well. Representative Goeglein questioned the size of the newer driver's manual and was concerned about the lines painted alongside the handicapped access spaces. She felt that the driver's manual should inform persons that there is to be no parking in that area. Mr. Hayes stated that the driver's manual was reduced in size in 1995, but was re-expanded in 1998.

Representative GiaQuinta wondered if the BMV had figures on how many persons fail the written test but pass it on a later attempt. Melanie Schwartz, Deputy Commissioner of the Driver Services Division replied that this statistic was not available. Representative Denbo questioned how long records are retained and Commissioner Gibson replied that they are

kept for ten years.

Commissioner Gibson then introduced Michelle Moore, Director of MVIS/Information Systems (MVIS defined as Motor Vehicle Information Systems). This Department services both the Bureau of Motor Vehicles and the Bureau of Motor Vehicles Commission. In the 1970s, the BMV began to use computerization, although the use at that time was to hand-type on a computerized typewriter. (Ms Moore referred to Exhibit A, pages 4 through 7, in her presentation.) The BOSS (Branch Office Support System) is state-of-the-art. Any software that is needed, though, usually has to be custom-designed. Ms. Moore defined "stovepiping" which is the concept that systems may have been designed as independent units that don't share information. The difficulty that programmers then face is to modify them to work interconnectedly. Ms. Moore commented upon the difficulty of suspending both a driver's license and the registration of a vehicle. Since driver's licenses may not use a social security number, the two systems cannot be compatible. Ms. Moore then spoke to the responsibilities and duties of the BMV in earlier times and the present (page 5 of exhibit A). The non-traditional tracking responsibilities of the BMV, if not done correctly, can keep Indiana from receiving millions of dollars.

The BMV/C's information systems have not been able to keep pace with technology. It is difficult to attract staff, as the pay is not commensurate with private industry and the technology has not kept pace with private industry. Legislative changes are often mandated without extra appropriations to accomplish the change. Whenever new plate legislation is passed, there is a great deal of work added to program the plate and to expand the database. Ms. Moore' department currently is working on its I-21 project, attempting to replace the computer systems that it currently uses.

Ms. Moore stated that the BMV/C's technological goals were to have systems that remain functional in the rapidly evolving technological climate, to align information systems with the agency's business requirements, and to provide user-friendly access and service for all customers.

Representative Goeglein congratulated Ms. Moore on the continuing success of technological functions of the BMC/V, and commented that the BMV's knowledge of the status of a driver's insurance was never clear if the systems were not up-to-date. Senator Hume asked if the BMV's computers were Y2K compliant. Ms. Moore replied that they would be. Commissioner Gibson reported that the Data Processing Oversight Committee had just given its approval for some changes. Senator Hume questioned whether there had been any studies as to a correlation of compliance with the law when the number of points given for a moving violation is increased. Commissioner Gibson stated that there has been no such study, and his opinion is that little in the assessment of points will change in the near future. In response to a question from Chairperson Merritt, Commissioner Gibson stated that the BMV does not have a system to process cost accounting. Senator Merritt commented that might be an item for the next budget session to consider; as of now that is an unknown future expense.

Senator Hume asked if a program called Peoplesoft would be used; Ms. Moore stated that it would be tested before it would receive serious consideration for use. Representative Liggett, considering the non-use of social security numbers on driver's licenses, theorized that perhaps a penny tax could be charged for a driver's license application.

In response to a question from Representative GiaQuinta, Commissioner Gibson replied that Indiana's fee of \$10 for a driver's license is low in comparison with other states, perhaps ranked about 48 out of 50.

Commissioner Gibson introduced Vincent Harrington, Deputy Commissioner of Finance. Speaking to the issue of Peoplesoft referred to above, Mr. Harrington stated that it is unknown how much that system would cost without a study. As stated earlier in the meeting, cost accounting for the BMV does not exist. Mr. Harrington presented the Funds Distribution portion of Exhibit A, pages 7 and 8. The example illustrated various ways a 1998 Dodge caravan could be registered (passenger, special group recognition plate, and truck 7,00 pound plate), with resultant differences in sums collected and distributed. Mr. Harrington then showed the distribution of fees for a watercraft registration. He stated that the BMV receives \$2 of each watercraft title, but that watercraft titles are only 13% of watercraft transactions; the bulk is registration, which is done with no recompense to the BMV.

Senator Hume asked with respect to the commercial vehicle excise tax, passed this session, if it were possible for a truck or van of lesser weight to claim a higher declared weight in order to pay less in excise tax. Mr. Murphy replied that it appears so, and that the BMV is monitoring the fees paid in this year to see if the statutory formula might need to be revised. Mr. Harrington then broke down the distribution of fees from the charge for a driver's license; \$4.00 goes to the BMVC; \$2 goes to the Crossroad 2000 fund, and \$4.00 goes to the motor vehicle highway fund. Senator Lewis asked about funding if the BMV has a shortfall, and Senator Hume answered that \$6.00 of the \$10.00 of a driver's license sum collected goes into a road fund. The BMV actually collects more in highway funds than it takes out if there happens to be a shortfall. Representative Liggett asked how the depository for funds at the end of the day is determined. Mr. Harrington stated that is a joint decision between the branch and Indianapolis; one of the concerns is the distance that money might have to be carried by staff members. Commissioner Gibson commented that the Union City branch would shortly be managed by another branch so that there would be no branch manager assigned there.

Marty Murphy, Deputy Commissioner for Vehicle Services Division, spoke on the processing of a title and registration. (The committee was given a copy of "the Processing of a Title and Registration", Exhibit C.) Mr. Murphy stated that the BMV keeps 139,000 rolls of microfilm of transactions, and the duplicates of those rolls are kept at the Division of Public Records. The BMV uses a paper shredder to dispose of those documents when they are microfilmed but records always need to be kept to support payment of taxes.

In answer to a question from Senator Hume, Ms. Moore responded that if there are sufficient information technology improvements, that should cut down on the amount of microfilming needed. Ms. Moore added that it is important to keep a record of the history of a motor vehicle for as long as it is owned. Representative Goeglein commented that one suggestion for future service would be to allow motor vehicle dealers to give titles by electronic or digital means.

The committee then toured the BMV 's processing area in the Government Center North, viewing, among other areas, the microfilm records area and the vehicle services help desk. The committee also viewed the Driver Improvement Safety Responsibility unit, where 100,000 phone calls are fielded each month. The committee learned that the BMV maintains 5.5 million records, and receives 500 to 1,000 documents a day.

After returning to the Administrative Conference Room, Chairperson Merritt asked for comments from the public. There being none, the Chairperson announced that the next meeting would be on October 26, at 1:30 P.M. in Room 404 of the Statehouse. The meeting was adjourned at 4:12 p.m.